

PURCHASE ORDER

INPUT

1881 Landings Drive
Mountain View, CA 94043-0848
(415) 961-3300 Fax (415) 961-3967

9170

This Purchase Order Number must appear on all invoices,
shipping papers, packages and correspondence.

To: Bradford Adams

Ship To: _____

Date: 1-7-97

Date Required: _____

Charge Code	Quantity Ordered	Description	Price	Amount
1 EERB	250	Call Centers: Hidden Opportunities for Service Vendors		\$94.34
2				
3				
4				
5				
6				
7				
8				
9			TAX/ RESALE	

ATTACHED: ☐ Contract ☐ Specifications Doc.

TOTAL >

\$94.34

Auth. Sig. _____ Auth. Sig. _____

☐ Request for check with order ☐ Deliver to: _____ ☐ Mail with docs provided ☐ To be invoiced

ADM 201/01 10/93



Uttm: Leslie -

Post-it* Fax Note	7671	Date	1-10-97	# of pages	7
To	Linda Parcells	From	Leslie Robbins		
Co./Dept.		Co.	INPUT		
Phone #		Phone #	528-6312		
Fax #	(415) 855-9700	Fax #			

22474
PROOF

BACO: Date 1/9 Initial *CC*
 BACO: Date Initial
 Customer: ☒ O.K. AS IS
☐ O.K. W/CHANGES
☐ NEED NEW PROOF
 Date 1-10-97 Initial *LR*

Vol. II, No. 9

December 1996

Call Centers: Hidden Opportunities for Services Vendors

Call centers have become more complex and sophisticated in the last ten years. The "telephone" aspect is still a key. However, call center activities have become increasingly integrated with other parts of a corporation.

Often, both inbound and outbound telephone service representatives (TSRs) will be working with (or driven by) corporate databases and operational systems (such as order entry systems).

Service TSRs may refer service queries through internal work flow or information systems to subject matter experts who will then deal directly with a customer.

Increasingly, a call center inquiry may be resolved by either a human or an automated system. Some banks report that over 75% of their telephone queries are now handled by automated systems — with decreased costs and equal or greater customer satisfaction.

The Internet and electronic commerce generally allows new types of customer-corporate communications, e.g.

- "Mediated" communications where a customer may initially interact via E-Mail or an electronic bulletin board. Corporate personnel will interact with these queries, although often not in real time.

- Other interactions are "unmediated", that is, a customer may initiate an order or obtain information without any human interaction (e.g., with Fed Ex's automated tracking system).

Definitions are needed as otherwise, in a few years, "everything" will be part of a call center. The major points involved are:

- Interfaced computer systems are not considered part of the call center activity. However, from a consulting and implementation standpoint, these non-call center activities may drive the part of the work that is call center-related.
- Call center resources are primarily dedicated resources. That is, both the equipment and the people are "programmed" or "scripted" for focused activities. However, when another department assists in the response to a call then the boundary of the call center activity becomes blurred.

Exhibits 1 and 2 illustrates INPUT's definitions on what activities are and are not call center-related. In these exhibits the shaded areas are *not* included in INPUT's call center definition.



INPUT Connectivity World

Exhibit 1

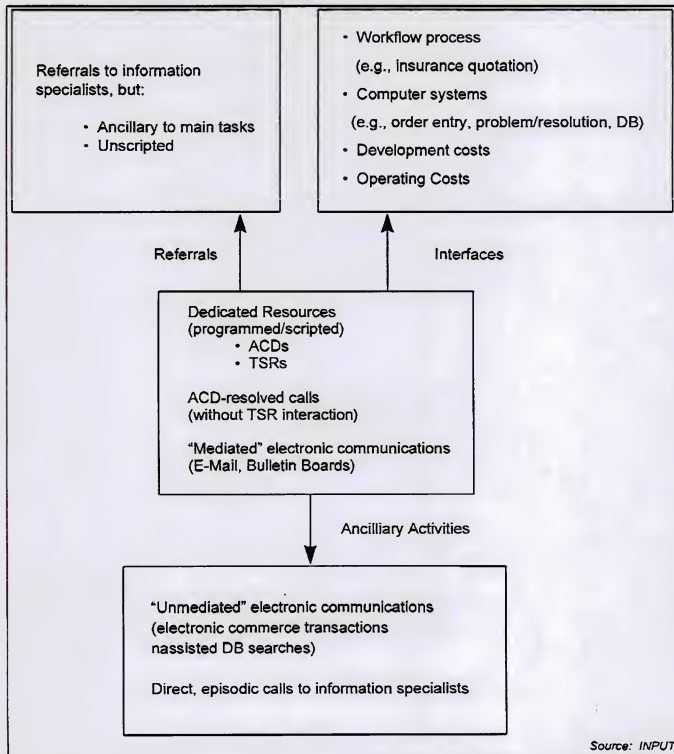
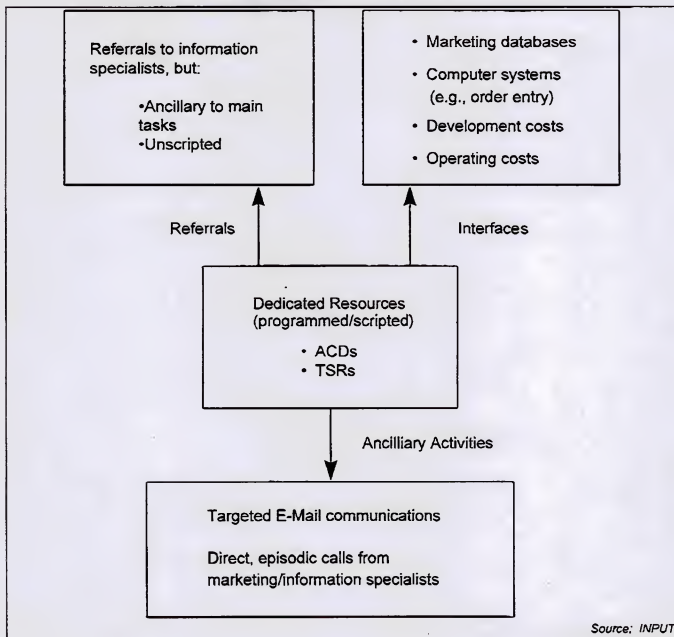
Call Center vs. Non-Call-Center Operations — Inbound

Exhibit 2

Call Center vs. Non-Call-Center Operations — Outbound**Competition**

There is increasing competition for all three call center business areas as call centers are increasingly viewed by both customers and vendors as part of overall "sophisticated customer relationship management" (according to one SI firm). Besides traditional call center management firms,

competitors include other categories of firms such as:

- Strategic consultants (e.g., Booz Allen)
- Industry specialist consulting firms (e.g., Broadway & Seymour in banking)
- Major SI firms (e.g. TSC)

INPUT Connectivity World

- Business function outsourcers (e.g., Andersen Consulting)
- Traditional "platform" outsourcers (e.g., EDS)

The emergence of a varied group of competitors has several implications for call center specialists. For example, sales channels and decision makers may be different. A broader range of skills may be needed (or sold as needed).

Some call center assignments will objectively be part of a larger SI or outsourcing project: A call center-focused firm might never get the call concerning a potential assignment.

Market Sizing

INPUT sees significant growth in consulting and implementation of advanced call centers (as shown in Exhibit 3), while at the same time there is modest growth in call center activities overall.

It should be stressed that the sizing figures for the overall market are driven largely by Exhibit 3

the in-house and outsourcing parts of the market. Both of these sectors are, in turn, driven by employment (largely TSRs and associated costs).

Also, there will be higher growth, even in "traditional" call center activities in certain sectors (such as health providers and health insurance).

INPUT would not be surprised to find that TSR employment has peaked because:

- Arguably, traditional telesales are reaching a limit:
- Costs are increasing; recruiting is more difficult.
- Direct marketing (which feeds inbound sales) is reaching its own limits.
- The more forward firms in the industry are dissatisfied by the high level of wastage in direct marketing and telemarketing.

US Expenditures for Call Centers in Banks and Other Financial Institutions

Sector	Expenditure (\$ Billions)		CAGR
	1996	2001	
Consulting	6.0	18.7	25%
Implementation	8.7	21.6	20%
Outsourcing	25.2	32.2	5%
In-house Operation	172.5	207.5	4%
Total	212.4	280.0	6%

Source: INPUT

INPUT Connectivity World

INPUT believes that, in the future, direct marketing and call centers will be much more likely to take advantage of computer technology, especially data warehouses, to target customers needs more efficiently.

To the extent this occurs, gross call center growth will decrease (or even go into reverse in some market segments).

Call center functionality will, however, be more cost-effective (and create higher margin opportunities for many vendors).

At the same time, to support this new direction, INPUT expects that consulting and implementation activities will grow at high rates (20+% CAGR), similar to those for other consulting and integration activities.

About INPUT



Clients make informed decisions more quickly and economically by using INPUT's services. Since 1974, information technology (IT) users and vendors throughout the world have relied on INPUT for data, research, objective analysis and insightful opinions to prepare their plans, market assessments and business directions, particularly in computer software and services.

Contact us today to learn how your company can use INPUT's knowledge and experience to grow and profit in the revolutionary IT world of the approaching millennium.

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- IT Customer Services Directions
- Software Support (Europe)

SERVICE FEATURES

- Research -based reports on trends, etc. (More than 100 in-depth reports per year.)
- Frequent bulletins on events, issues, etc.
- 5-year market forecast
- Competitive analysis
- Access to experienced consultants
- Immediate answers to questions
- On-site presentations
- Electronic report delivery

DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
 - ⇒ Procurement plans (PAR, APR)
 - ⇒ Market Forecasts
 - ⇒ Awards (FAIT)

CUSTOM PROJECTS

For Vendors - Analyze:

- Market strategies and tactics
- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers - Evaluate:

- Specific vendor capabilities
- Outsourcing options
- Systems plans
- Peer position

OTHER SERVICES

- Acquisition/partnering searches

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INPUT, 1881 Landings Drive, Mountain View, CA 94043 U.S.A.
Tel. (415)961-2300 • Fax (415)961-3966 • <http://www.innut.com> • sales@innut.com

Fulfillment/Printing for INPUT

Date 1-7-97 By Leslie Robbins

Program Code EEB Project Code EEB

INPUT P. O. # 9170 BAC Ref. # _____

Title: Call Centers: Hidden Opportunities for Service Vendors

☐ Report

☒ Research Bulletin

☐ Profiles

☒ Newsletter

☐ Reprints

☐ Other _____

(Connectivity World)

Fulfillment - Please print list to order covers>>

TO: GBC

Covers Order

Date _____

Quantity _____

Color _____

Size _____

P. O. Number _____

GBC Control Number _____

Reports

Fulfillment _____

Stock _____

Total _____

Executive OV

Fulfill. _____

Stock _____

TU Pkg. _____

Total _____

Research Bulletin

Fulfillment _____

Newsletter

Fulfill. \$9

Stock 101

Total: 250

Date/FedX GBC _____

Date Due INPUT _____

Date Rec. INPUT _____

Date _____

PLEASE PRINT ☐ labels ☐ packing slips

To: BAC _____

TO BRADFORD ADAMS

☒ Folder ☒ Disk ☒ Hard Copy ☒ Blue Form

Dates _____

☐ GBC Cover

For Set Up/Proof 1-7-97

Proof rtn to INPUT _____

Final proof rtn to BA _____

Scheduled to Ship _____

Instructions:

☐ Window Cover

☐ Hot Strip

☒ 3-Hole Drill

☐ Staple

☐ Shrink Wrap

☐ Other _____

Return to INPUT

Ship Date _____

☒ Originals/Disk in folder

☒ For Stock: _____ RP _____ OV _____ RB _____ PR

☒ Internals for Distribution

☒ International for mailing/DHL

☐ Other _____

☐ INPUT add stock quantity to inventory report

Other Information/Notes

use purple Connectivity World masthead.

3 hole drilled

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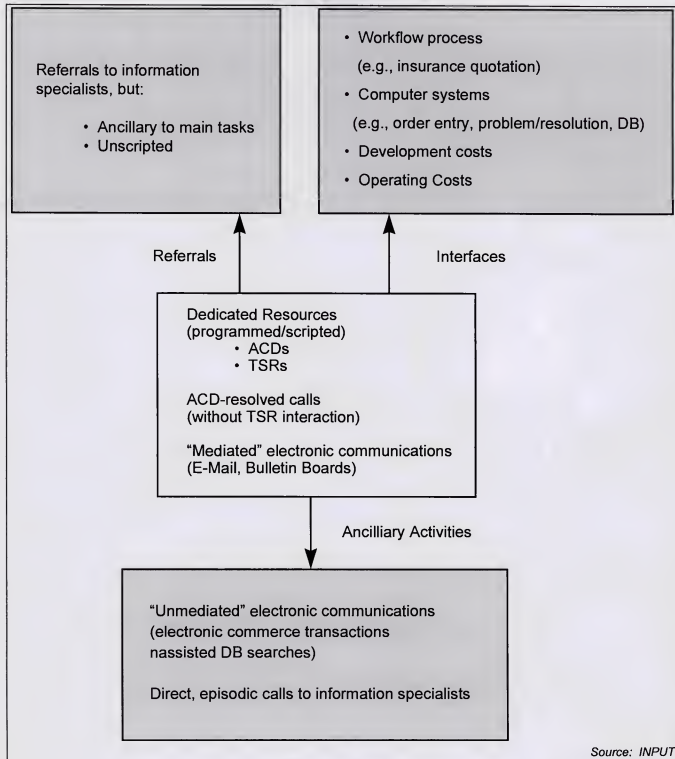
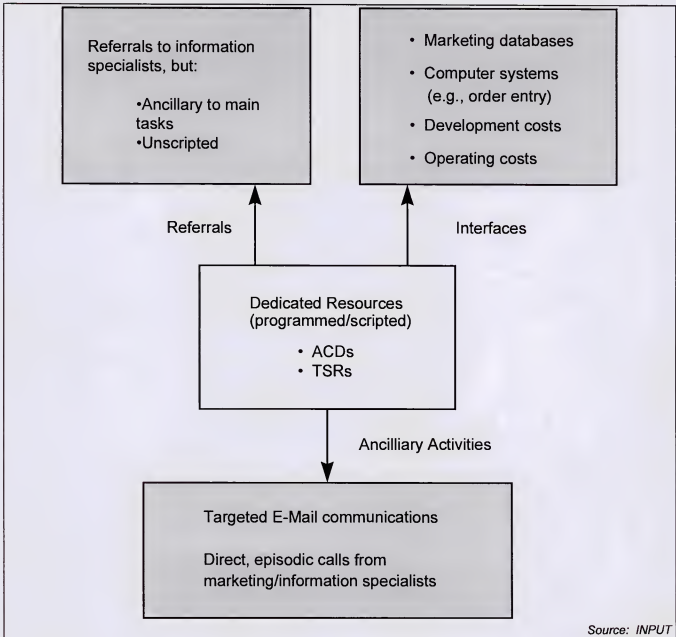


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